



DEC 12 2019

PPA ADMINISTRATIVE ORDER
NO. 15 - 2019

TO : ALL PORT MANAGERS
ALL DEPARTMENT MANAGERS
ALL CONCERNED

SUBJECT : GUIDELINES IN THE ACCREDITATION OF SURETY AND INSURANCE
COMPANIES/CORPORATIONS AT THE PHILIPPINE PORTS AUTHORITY (PPA)

SECTION 1 . LEGAL BASES

1. Section 6 (a)(ii) of Presidential Decree No. 857, as amended
2. PPA Board Resolution No. 2859 dated October 28, 2019

SECTION 2. RATIONALE

To provide safeguards to ensure that only reputable and financially qualified insurance and surety companies, including its re-insurers, shall be authorized and allowed to do business with PPA.

SECTION 3. SCOPE AND COVERAGE

These guidelines shall apply to all insurance and/or surety companies, including its re-insurers, seeking accreditation from PPA to be able to provide insurance services to entities transacting with PPA.

SECTION 4. DEFINITION OF TERMS

1. Accreditation – is the recognition and registration by PPA shown by a relevant certification issued to an insurance company as proof of an insurance company's legitimacy, capability and competency in the provision of insurance services to entities transacting with PPA
2. Insurance – is a contract, represented by a policy, in which an individual or entity receives financial protection or reimbursement against losses from an insurance company.

3. **Surety** – is the guarantee of the debts of one party by another. A surety is the organization or person that assumes the responsibility of paying the debt in case the debtor policy defaults or is unable to make the payments.
4. **Paid-Up Capital** – is the amount paid by subscribers over and above the par value of shares or the issue value in no-par value shares

SECTION 5. CRITERIA FOR ACCREDITATION

All applicants for accreditation shall comply with the following criteria:

1. **Must be a single proprietor/cooperative/partnership/corporate entity duly organized and existing under Philippine laws.**
2. **Must meet the following minimum paid-up capital requirements:**

Paid-Up Capital (in Php)	Maximum Risk Limit Single Project (in Php)
600,000,000.00	More than 100,000,000.00
400,000,000.00	50,000,000.00-100,000,000.00
250,000,000.00	50,000,000.00

For single proprietors or cooperatives, the capital must be in accordance with the amount prescribed in the Insurance Code and the Insurance Commission.

3. **Must not have an owner, Incorporator, organizer, stockholder, member of the board of directors, trustee, officer, consultant, counsel, broker, agent, trustee or nominee who is an employee or official of PPA, including those separated from PPA within one (1) year from separation.**
4. **Must not have any outstanding account with PPA.**
5. **Must not have any owner, incorporator, organizer, stockholder, member of the board of directors, trustee, officer, consultant, counsel, broker, agent, trustee, nominee or personnel with a case filed by or against PPA.**
6. **Must have been in the surety or insurance business for at least ten (10) years prior to the date of its application for accreditation**

SECTION 6. DOCUMENTARY REQUIREMENTS

An applicant for accreditation must submit the following documents:

1. Duly accomplished Application Form
2. Company and business profile
3. Authenticated DTI/SEC/CDA Registration Certificate
4. Certified Copy of the most recent General Information Sheet duly filed with and received by SEC/CDA
5. Certified true copy of the most recent Tax Clearance Certificate per EO no. 398, s. of 2005
6. Certified true copy of the Audited Financial Statement for the last three (3) years duly stamped received by the BIR
7. Certified copy of Certificate of Accreditation issued by the Insurance Commission
8. Current Mayor's permit/city or municipal licenses
9. Tax Clearance Certificate for the current year
10. Duly accomplished and notarized Omnibus Sworn Statement stating that:
 - a. It is not blacklisted or barred from engaging in business with the government or any of its agencies, offices, corporations or LGUs including non-inclusion in the consolidated blacklisting report issued by the Office of the Insurance Commission (OIC);
 - b. It has no unsettled money claims to any government office/agency or instrumentality, national or local, as well as any private entity;
 - c. It is not facing any litigation in regular courts or any administrative bodies arising from non-compliance of its obligation under any issued bonds or insurance policy using the prescribed form; and

- d. All documents submitted in satisfaction of the accreditation requirements are authentic or a true and faithful reproduction of the original copy, and that all statements and information provided therein are true and correct.
11. Board Resolution, in case of a Corporation, or Special Power of Attorney, in case of single proprietorship, authorizing PPA to verify any or all documents submitted for accreditation.
12. Amount of exposure of the Applicant Surety or Insurance Company and its re-insurer, supported by details at the time of the filing of the application for registration.

SECTION 7. ACCREDITATION AND RENEWAL FEE

Processing/Accreditation and Renewal fee shall be in the amount of **Five Thousand Pesos (Php5,000.00)** which shall be imposed for every surety or insurance company/re-insurer.

SECTION 8. PROCESSING OF APPLICATION FOR ACCREDITATION

1. An application for accreditation shall be filed directly at the PPA Head Office, A. Bonifacio Drive, South Harbor, Port Area, Manila, addressed to the General Manager.
2. The Treasury Department shall review and evaluate all applications for accreditation. To aid in its evaluation, PPA may require additional documentary requirements.
3. All accredited insurance companies shall be included in a registry of accredited insurance companies nationwide of PPA.
4. Release of the approved Certificate of Accreditation shall be subject to the payment of processing/renewal fee.

SECTION 9. DURATION AND RENEWAL OF ACCREDITATION

Any and all applications for accreditation shall be approved solely and exclusively by the General Manager. The Certificate of Accreditation shall be valid for three (3) years.

SECTION 10. GROUNDS FOR REVOCATION/CANCELLATION OF ACCREDITATION CERTIFICATE

An Accreditation Certificate granted may be revoked and cancelled on any of the following grounds:

1. Any misrepresentation in the application for accreditation or submission of fraudulent document to support the application.
2. Violation any of the terms and conditions of the Accreditation Certificate.
3. Violation of any of the provisions of these Guidelines
4. Using the Accreditation Certificate to engage in nefarious, illegal, immoral and vicious activity/ies
5. Non-payment of any amount due to PPA
6. Failure to comply with obligation under the bond or insurance policy issued without valid and lawful cause upon demand, without prejudice to whatever any legal action PPA may file against the applicant to protect its interest

SECTION 11. DEVELOPMENT OF THE ACCREDITATION SYSTEM

The Treasury Department, in coordination with the Information and Communications Technology Department, shall develop an accreditation system which shall be used in the monitoring of the profile and financial capabilities of accredited insurance and surety companies.

SECTION 12. APPLICABILITY CLAUSE

Any of the rules and regulations issued or promulgated by the PPA, not covered by these guidelines but are deemed by PPA to be pertinent in ensuring the effective provisions of services at ports under the jurisdiction of PPA, including those that may be issued by PPA after the effectivity of this Administrative Order, shall be applied and implemented accordingly.

SECTION 13. SEPARABILITY CLAUSE

If for any reason any provision or section of these guidelines is/are declared to be invalid or unconstitutional, the other provisions not affected shall remain in force and effect

SECTION 14. REPEALING CLAUSE

Any other rules and regulations, inconsistent herewith, are hereby amended, modified or repealed accordingly.

SECTION 15. EFFECTIVITY CLAUSE

This Administrative Order shall become effective after fifteen (15) days from its publication in a newspaper of general circulation or in the Official Gazette.

JAY DANIEL R. SANTIAGO
General Manager

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